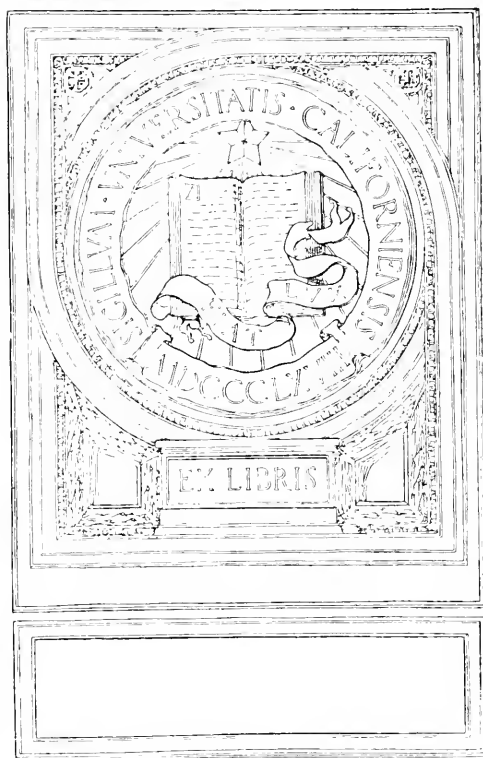


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AGRICULTURAL WAGES BOARD.
(ENGLAND AND WALES.)

REPORT
OF THE
COMMITTEE
ON
UNEMPLOYMENT INSURANCE
IN
AGRICULTURE.

Presented to both Houses of Parliament by Command of His Majesty.



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AGRICULTURAL WAGES BOARD.
(ENGLAND AND WALES.)

REPORT
OF THE
COMMITTEE
ON
UNEMPLOYMENT INSURANCE
IN
AGRICULTURE.

1. The Committee was appointed by the Agricultural Wages Board on December 2nd, 1920, with the following reference :—

To enquire into and report upon the extent to which the Unemployment Insurance Act might be made applicable and beneficial to agricultural workers.

The Committee was constituted as follows :—

Chairman—Sir Henry Rew, K.C.B. ;

Representatives of Employers—Messrs. G. G. Rea, C.B.E.,
and T. H. Ryland ;

Representatives of Workers—Messrs. George Dallas and
W. R. Smith, M.P.

2. The Committee have held three meetings and have carefully considered the evidence which was laid before them. It was not considered necessary or advisable to invite the attendance of witnesses, partly on the ground of expense and partly because evidence of a general character was considered more useful than evidence by individuals as to localities which might not be properly representative of the condition of the whole country.

3. The main evidence before the Committee was derived from four sources, (a) reports from the members of District Wages Committees, (b) reports supplied from the Employment Exchanges by the Ministry of Labour, (c) returns supplied by the National Union of Agricultural Workers, and (d) returns supplied by the National Farmers' Union. Memoranda have also been laid before us on the subject of the fluctuations of employment in agriculture during the war ; on schemes for dealing with agricultural unemployment abroad ; and on the main points which would require consideration and settlement in the drafting of a special scheme under the Unemployment Insurance Act. These Memoranda are given in the Appendices I-III.

4. The terms of the reference did not appear to contemplate the consideration of any method of dealing with unemployment in agriculture other than by insurance under the Unemployment Insurance Act, but the Committee considered that proposals for a purely voluntary scheme outside the Act should not be excluded. There are three methods by which insurance against unemployment may be possible : (1) by the inclusion of the industry of agriculture in the general scheme provided by the Unemployment Insurance Act, 1920, (2) by the adoption of a special scheme for agriculture under Section 18 of the Act, or (3) by a purely voluntary scheme outside the Act. Before either of these methods could be adopted certain preliminaries are necessary.

5. By virtue of paragraph " a " in Part II. of the First Schedule to the Act of 1920 employment in agriculture, including horticulture and forestry, is excepted from the scope of the insurance scheme, and neither employers nor workers in that industry are liable to pay the contributions required of employers and workers in almost every other industry. But by Section 4 " The Minister (of Labour) may, with the approval of the Treasury by order provide for including among the persons employed within the meaning of this Act any persons engaged in any of the excepted employments specified in Part II. of the First Schedule to this Act, in any class or description of the persons so engaged, either unconditionally or subject to such conditions as may be specified in the Order. Before any such Order is made a draft thereof shall be laid before each House of Parliament for a period of not less than twenty days during which the House is sitting, and if either House, before the expiration of that period, present an address to His Majesty against the draft or any part thereof, no further proceedings shall be taken thereon, but without prejudice to the making of any new draft order." No definition is given in the Act of the words agriculture, horticulture or forestry, but Section 10 provides that " if any question arises as to whether any employment or any class of employment is or will be employment within the meaning of this Act, or whether a person is or was an employed person within the meaning of this Act, the question shall be decided by the Minister (of Labour) provided that (i) any person aggrieved by the decision of the Minister on any such question may appeal from that decision to the High Court, (ii) the Minister may if he thinks fit instead of himself deciding any such question refer the question for decision to the high Court. The Minister may, on new facts being brought to his notice revise any decision given by him under this Section, other than a decision against which an appeal is pending or as respects which the time for appealing has not expired, and an appeal shall be against any such revised decision in the same manner as against an original decision." It appears, therefore, that while the powers of the Ministry in deciding whether any particular person or class of persons is or is not insurable under the Act are confined to a judgment on the facts, and there is no

means by which a person or class of persons may secure inclusion under the Act of their own motion, the Minister has power—with Treasury sanction—and subject to an adverse vote of either House of Parliament, to bring all persons engaged in agriculture or any class of persons so engaged within the scope of the Act. It would appear to follow from this that a particular class of agricultural workers, such as shepherds, market gardeners or foresters, could be brought under the general scheme of the Act to the exclusion of other persons engaged in the industry.

6. The arrangements for the adoption of a special scheme under the Act are set out in Section 18, the main provisions of which are as follows: "If it appears to the Minister that insurance against unemployment in any industry can be more satisfactorily provided for by a scheme under this Section than by the general provisions of this Act, the Minister may, subject to the provisions of this Section, approve or make such a scheme, and any such scheme is in this Act referred to as 'a special scheme.' The Minister may by special order approve for the purposes of this Section, and whether with or without amendment, any scheme which is made in respect of any industry by a joint industrial council or an association of employers and employees, and which provides for the insurance against unemployment of all the employed persons in the industry or all those persons other than any specified classes thereof, and the benefits under which are, in the opinion of the Minister, not less favourable on the whole than the benefits provided by this Act." Provision may be made by a special scheme for insuring persons to whom the scheme applies against partial as well as complete unemployment. For the purposes of this Section the expression "industry" means any class or classes of establishments or undertakings in any area which the Minister may determine to be an industry for that purpose, and the expression "association of employers and employees" means an association so constituted that the members of the association who are employers consist of persons employing a substantial majority of the employees in the industry, and the members who are employees consist of persons representing a substantial majority of the employees in the industry." From this it would appear that a special scheme can only be approved if the industry for which such a scheme is desired is already included under the general provisions of the Act, and that if a special scheme is desired for agriculture it would be necessary to secure the issue of an Order such as is described in paragraph 5 of this Report, with the understanding that it should at once be overridden by the adoption of a special scheme. Furthermore, such a special scheme can only be put forward by a joint industrial council or by an association of employers and employees representing a substantial majority of the employers and workers in the industry. It is possible that the Agricultural Wages Board might be recognised for the purposes of this Section as an association of employers and employees, but it is clear that approval could not be obtained for

a special scheme without the consent and co-operation of both employers and workers, and the concurrence of the Ministry of Labour. Finally, though arrangements might be made for excluding certain areas where special conditions prevail, it would be an essential part of any such scheme that all the persons engaged in the industry as defined by the Minister of Labour should be included. No scheme could be approved which provided for the insurance of a highly paid class to the exclusion of those in receipt of lower wages or for the inclusion of those regularly employed to the exclusion of the casual labourers. The privileges of a special scheme must be offered to all or none.

7. The advantages of a voluntary scheme are that it is free from the conditions imposed by the Act. It would be possible to formulate a plan applicable to any part of the country, or to any section of the industry. Under the conditions which prevail in the north of England one scheme might be adopted while another might be adopted elsewhere. An insurance fund might be started for shepherds only, or for horticultural workers or motor ploughmen. Contributions might be fixed to meet the probable rate of unemployment in each class, and the management and control of the funds would be entirely in the hands of the contributors. The disadvantages are that there would be no Government aid, which in the case of those persons under the general provisions of the Act, amounts to one-third of the combined contributions of employers and workers, that is to say, twopence per week for men and 1·6 of a penny for women, or, under a special scheme, 0·6 of a penny—a trifle more than a halfpenny—for men and one halfpenny for women. In any case it is clear that the general consent of both employers and workers would be necessary to secure the adoption and successful working of any voluntary scheme, as it would in the case of a special scheme under the Act.

8. Under these circumstances it seemed to the Committee that their course of enquiry must necessarily follow two lines, the first leading to the investigation of the incidence and nature of unemployment, and the second to the views of all persons concerned in the industry as to the desirability of inclusion in some scheme of insurance. Of these two the second is clearly the more important. Unless there is a general agreement on both sides no special scheme can be considered by the Ministry of Labour, and equally no independent scheme can be formulated or become operative. But it appears evident that the willingness or unwillingness to come to an agreement is dependent upon the nature and frequency of unemployment.

The employers' representatives on the Committee have expressed their opinion that there is no prospect that the members of the National Farmers' Union will support any scheme for insurance unless it can be shewn that the incidence of unemployment is serious or at least likely to become so. It was necessary, therefore, to take such steps as were possible to estimate the nature and extent of unemployment in agriculture.

9. No attempt was made to examine at length the history of Agricultural unemployment. It is notorious that in the past, farm workers frequently suffered severe hardship from this cause, which was often accentuated by reason of the low wages commonly paid to men in work and their inability to lay by any savings sufficient to tide them over such emergencies. The causes which led to this state of affairs are fairly obvious. The country is the great breeding place for mankind, and till quite recently when town life has been influenced by improved sanitation, better means of transport and a higher standard of life, it was in the country districts that population increased. As long as additional land could be put under cultivation, part at least of this increase could be and was absorbed in agriculture, but when this development ceased and agriculture could no longer profitably employ more workers, migration to the towns or other forms of industry becomes the only resources for the surplus population. The immense growth of industrial enterprise in certain periods of the nineteenth century drew off large numbers of agricultural workers, but whenever this growth was checked the effect was felt in the rural areas.

During the latter part of the nineteenth century the long depression in agriculture led to changes in the methods of farming, which with the extensive introduction of machinery brought about a great decrease in the number of men employed on farms. But with this decrease came greater stability, for the fewer the men employed the more they are essential to the conduct of the farm, and there seems no doubt that in most districts the large majority of farm workers are in constant employment year after year.

10. The European War seems to have accelerated and intensified this movement. At the outbreak of hostilities large numbers of agricultural workers joined the Army, others left for munition works, coal mines, and other forms of industry which were clamouring for labour, and offering higher wages than those gained in agriculture. At a later stage conscription made further drafts on the reduced numbers, and during the years 1916, 1917 and 1918 no able-bodied man or woman who desired work on the land failed to find it. All kinds of substitute labour were employed, most of which was discarded as soon as possible after the army was demobilised. But when all was over and agricultural workers were released from military service it was estimated that there were about a hundred thousand fewer men employed in agriculture in England and Wales than in 1914.

11. During the whole of the period of the War, however, it appears from the evidence supplied by the Ministry of Agriculture and Fisheries in a memorandum based on quarterly returns supplied by a large number of farmers, the number of men and women, employed both regularly and casually, varied according to season. The maximum was reached, as might be expected in July, the number sank by October and was lowest in January, rising again somewhat in April. The actual

variations in the number employed on the farm were masked by the employment of soldiers, German prisoners and relatives of farmers, but it is quite clear that during that period farmers not only discharged men and women when they no longer required them—but were able to take them or others like them on again as required in the spring and summer. As it is inconceivable that there was any large surplus population in those years who were out of work, the inevitable conclusion is that there is a certain class of workers who favour the pursuit of agriculture during the summer and some other occupation during the winter. It is impossible to suppose that these people support themselves for twelve months on the wages earned in agriculture during six.

12. The exact number of the workers thus affected cannot be stated, nor can any indication be given as to the nature of the other occupations followed in the winter. But from various indications it is computed that the number amounts to about 5 per cent. of the maximum number employed in the summer. If this can be relied upon, it supplies a clue to some of the conflicting evidence laid before the Committee. There is always a tendency on the part of employer correspondents to assume that discharges of farm workers must mean unemployment for the workers dismissed. They are not always in a position to say definitely that the men have not succeeded in getting work elsewhere. In the event of this taking place it is clear that the men are not unemployed, even though the new engagement may be of a temporary character and may cease about the time that the farmer is ready to take on fresh workers for spring and summer duties.

13. There is another source of error which must also be avoided. During the War, as is well known, large numbers of agricultural workers left the countryside to seek employment in the towns. The usual exodus, which has been going on for many years, and is common to almost every country was accentuated beyond all previous experience. As long as the War industries were prosperous there was work for all, but when the depression in trade began, many men were discharged and failing to find engagements in the towns attempted to find employment in agriculture. Many of those who sought work on the farms had no previous experience in agriculture, and were in consequence unacceptable. But as they attended the hiring fairs or sought work in public their failure to obtain employment attracted attention and was duly reported in the public press, with the result that the impression has been created that many genuine agricultural workers have been unable to secure employment. Reports as to the number of men who failed to get taken on at the hiring fairs cannot therefore invariably be accepted as evidence of agricultural unemployment. If these considerations, however, are borne in mind, it is possible to get at some estimate of the incidence of agricultural unemployment from the returns which have been received.

14. The National Farmers' Union sent a circular letter to all their Branch Secretaries, putting the following questions:—

1. Is unemployment of *bonâ fide* agricultural workers in your district in excess of the normal for this time of year (December)?
2. If so, have discharges been made owing to any special cause?
3. Approximate number of men permanently engaged in agriculture out of employment January, 1920—January, 1921.
4. Approximate number of men casually engaged in agriculture out of employment January, 1920—January, 1921.
5. Any particular district where there is an increase of unemployment.

The number of replies was not very great, only 26 counties furnishing information; in the Holland Division of Lincolnshire, Suffolk, the East Riding and Merionethshire the replies to the first question were in the affirmative. In Berkshire, Derbyshire, Devonshire, Durham, Gloucestershire, Hertfordshire, Kent, Leicestershire, Lincoln, Kesteven and Lindsey, Middlesex, Monmouthshire, Norfolk, Northamptonshire, the Soke of Peterboro', Somerset, Staffordshire, Sussex East, Warwickshire, Yorkshire (West Riding), Brecon and Radnor, Cardigan and Carnarvonshire the answer was in the negative. In two counties seasonal unemployment was said to be less than a year ago, and in three cases there is a complaint that sufficient labour cannot be obtained. Even where unemployment was said to exist it is ascribed to the forward state of farm work owing to the open weather. In Lincoln (Holland) "discharges are due to the fact that there is no market for potatoes, and riddling is suspended." In Suffolk it is said that "the standard of farming is just as high in the districts where unemployment prevails as where everyone is employed, so that it appears that the usual population in some parishes is in excess of requirements of farmers." Where discharges have taken place it is generally said that the old and the inefficient men are those who cannot get work.

15. The National Union of Agricultural Workers had been engaged on compiling a return of unemployment before the appointment of this Committee, and their figures refer to a slightly earlier period than the reports of the National Farmers' Union. They showed, however, that the extent of unemployment was small. Replies were received from only one-third of the Branch Secretaries to whom the circular was sent, but it is a fair deduction that if unemployment was a serious question in those places from which no reply has been sent, the Union would have been informed. Only four counties reported more than a hundred men out of work, and only one (Norfolk with 404) more than two hundred. It is noticeable that the counties from which unemployment was reported were not the same as those

in which the correspondents of the National Farmers' Union believe it exists.

16. The information received from the members of the District Wages Committees was much greater and more complete than either of those referred to above. A form of enquiry reproduced in Appendix IV* was sent to each member of the Committees, and the replies have been carefully compiled and summarised by the staff of the Agricultural Wages Board in the report attached hereto. (Appendix V.)*

The general conclusions bear out the opinion that there is little or no unemployment among skilled agricultural workers, and that where it exists it is among the unskilled or the inefficient workmen, and to that extent are in agreement with the reports received from the National Farmers' Union and the National Union of Agricultural Workers. But divergence appears as soon as an attempt is made to state where any abnormal unemployment exists. As the summary states "In the majority of the counties unusual unemployment is reported from one or more districts. These reports are in some cases in conflict with other reports for the same district, and in other cases are the only report for a district, and so estimates given are not confirmed." It would appear, however, from these returns that there was unusual unemployment in Cumberland, Westmorland, the East and West Ridings, Herefordshire and Warwickshire, Hampshire and Wiltshire, Berkshire, Anglesey, Carnarvonshire and Merionethshire, a conclusion which with few exceptions is not borne out by the reports from the Unions referred to. It seems impossible to resist the assumption that the expression unemployment is used in a different sense by different correspondents.

17. By the good offices of the Ministry of Labour a series of figures have been obtained from the Employment Exchanges of England and Wales, a brief note on which is given in Appendix VI. The Divisional Officers of the Exchanges also furnished observations as to the causes and nature of unemployment in agriculture within their districts based on certain questions submitted to them from the Ministry of Labour. The figures supplied show the most remarkable result and appear to indicate that there is less unemployment in 1921 than in the beginning of 1920 while the reports of the Divisional Officers suggest that it is increasing. The known fact, however, that few agricultural workers register themselves at these Exchanges and that few farmers avail themselves of their services when wanting additional labour, makes a reliance on the figures unsatisfactory. It is also suggested that the exclusion of agricultural workers from the scope of the Unemployment Insurance Act has vitiated the value of the returns. In any case there is no trustworthy evidence that unemployment is more prevalent in one county than another.

18. The general conclusion to be drawn from the evidence available is that while there is no doubt very little lack of

* Not printed

employment among highly skilled and experienced agricultural workers, it is impossible to say to what extent it prevails among the less skilled men, or whether the undoubted reduction in the number of workers on the land which has taken place during and since the War had led to the men who had been discharged securing other permanent engagements or drifting into the position of casual workers dependent on chance and irregular employment for their living

19. While it is therefore impossible to say except in very general terms, whether unemployment prevails in agriculture, there is no doubt that the extent to which unemployment is feared must be indicative in some degree of its prevalence. However confident the young may be of their own value and their capacity for getting employment, however careless they may be as to the consequence of lack of work, it will hardly be contended that the married labourer with a young family will not regard the prospect of unemployment for a long period with all its attendant miseries without fear and anxiety if it were likely to occur through no fault of his own with common frequency. This has been realised by Parliament in the Act providing unemployment benefit for all who have paid their necessary contributions. From the scope of this Act, as is well-known, agriculture has been excluded. But so far no large body of agricultural workers has protested against exclusion while evidence afforded by the returns made to the National Union of Agricultural Workers shows that there is at least a large number of labourers who do not desire to be included. These men are to be found not only among the Northern Counties where yearly and half-yearly hirings are common, but also in Norfolk and Lincolnshire where weekly engagements prevail, as well as in other parts of England and Wales. No indication has been afforded as to the reasons which have led to this expression of opinion, but it may be taken as strong presumptive evidence that the dangers of unemployment do not present themselves as imminent to those who hold these views. Under these circumstances, therefore, the Committee are of opinion that it would not be desirable at the present time to press for the inclusion of agriculture in the general provisions of the Unemployment Insurance Act, 1920.

20. The Committee have considered whether it would be possible to prepare a special scheme for agriculture under Section 18 of the Act. It is understood that it would be necessary to secure the inclusion of agriculture under the Act in the first place in order that it might be afterwards excluded by a special scheme, and this would involve the necessity of ensuring in advance that the special scheme would be acceptable and practicable. Enquiries were therefore made from the Ministry of Labour as to what conditions it would be necessary to fulfil before such a scheme could meet with approval. It appears that it would be requisite to submit actuarial calculations as to the rate of contributions and schemes for disposal of the funds, as well as for providing for an employment register.

21. Apart from the difficulty of framing a special scheme which would be accepted by the Ministry of Labour, there appears at present to be no likelihood of attaining the agreement between employers and workers which is a condition precedent to any such action. Nor is there any indication of an approach to an agreement for establishing a voluntary scheme which would clearly be impracticable unless it received the whole-hearted support of the organisations on both sides, and the adherence of the great majority of employers and workers throughout the country.

22. The Committee having so far examined the subject find that they are unable to agree upon any recommendation to the Board and recognise that without such agreement further progress is impracticable. On the facts before them they conclude :—

1. That there is general opposition both by employers and workers to the inclusion of agriculture under the general provisions of the Unemployment Insurance Act, 1920.
2. That there is no evidence that a special scheme for agriculture under the Act would, or would not, be acceptable to employers or workers, and that in any case the information at present available as to the incidence of unemployment in agriculture is insufficient for the preparation of such a scheme.
3. That there is no evidence of such general agreement as would be necessary for the consideration of a voluntary scheme of insurance against unemployment outside the Act, and independent of State aid.

R. HENRY REW.

G. G. REA.

THOS. HOWARD RYLAND.

W. R. SMITH.

GEO. DALLAS.

A. G. L. ROGERS,
Secretary to the Committee.

12th April, 1921.

Reservation by Mr. DALLAS.

I have signed the Report as I agree with it on the whole, but with regard to paragraph 19 I wish to put on record that although the Report is correct in saying that " no large body of agricultural workers has protested against exclusion " from the Act, I believe that in some districts of different counties there is an undoubted desire to be so included.

GEO. DALLAS.

APPENDIX I.

FLUCTUATIONS OF EMPLOYMENT IN AGRICULTURE DURING THE WAR.

During the war an attempt was made by the Board of Trade to collect figures relating to the employment of men in agriculture, and subsequently similar returns were collected by the Board of Agriculture till the end of 1919. The object in the first place was not to obtain information respecting unemployment, for it is well known that during the greater part of the war no person who wanted to work was in need of it. The statistics were those of employment rather than of unemployment. Nevertheless the material collected may afford some useful information on the question of the demand and supply of labour.

The estimated number of persons employed in England and Wales in Agriculture in July, 1914, was 880,000 of whom 750,000 were regularly employed and 130,000 were casually employed. Of the 750,000 regularly employed 693,000 were males, and 57,000 females, while of the 130,000 casuals 85,000 were males and 42,000 were females. The number of persons classed as agriculturists who joined the Army is believed to be about 400,000, of whom 300,000 came from England and Wales, but as the number of males employed in agriculture never fell by that amount, a certain number of males estimated at about 50,000 must have been drawn into agriculture during the four years of hostilities. This can probably be accounted for by the number of boys below the age of 14 in 1914 who were engaged in agriculture before 1918.

The smallest number ever employed was in January, 1917, when 472,000 males were regularly employed and 29,000 were casually employed. After this date the number slowly rose and at the date of the Armistice 489,000 males were regularly and 54,000 males were casually employed. In addition there were about 73,000 soldiers who though not included in these returns filled the place of regular workers. By January, 1920, these soldiers had been demobilised and their places taken by civilian workers, probably in many cases the two classes being identical. There are at present about 100,000 fewer men regularly employed in England and Wales in agriculture than before the war.

It was estimated by the Board of Trade that before the war there was a seasonal decline between July and January each year of about 5 per cent. in the number of males regularly employed, and it is remarkable that this decline persisted during the war, except in 1915. It is even more remarkable that the number of males regularly employed always rose in the summer. Thus in July, 1916, there were 531,000 so employed, and in January, 1917, 472,000, a drop of 59,000 or 8 per cent. In July, 1917, the number was 500,000 an increase of 28,000 and in January, 1918, it was 494,000 a drop of 6,000. In July, 1918, the number was 50,000, a rise of 7,000 and in January, 1919, it was 485,000, a drop of 16,000. In the following July, 1919, the number was 569,000, a rise of 84,000, or allowing for the replacement of soldiers by civilians 11,000 with a drop in January, 1920, to 550,000 or 19,000, that is to say rather less than 4 per cent.

Now it is perfectly certain that in 1917 and in the early part of 1918, no able-bodied male was out of work in the usually accepted sense. So that it appears that there were some 6,000 or 7,000 who are usually regularly employed in agriculture during the summer who are engaged in other occupations during the winter.

The number of males casually employed in agriculture shewed the following variations:—

July, 1916	...	...	...	...	78,000
January, 1917	...	...	...	...	29,000 a drop of 49,000
July, 1917	...	...	...	...	69,000 a rise of 40,000
January, 1918	...	...	...	...	34,000 a drop of 35,000
July, 1918	...	...	...	...	53,000 a rise of 19,000
January, 1919	...	...	...	...	27,000 a drop of 26,000
July, 1919	...	...	...	...	61,000 a rise of 34,00
January, 1920	...	...	...	...	41,000 a drop of 20,000

so that it would appear that there are some 20,000 males who are accustomed to find casual employment in agriculture in summer and some other occupation in winter, for it is difficult to assume that these persons make enough in summer to maintain themselves all the winter, or that they habitually starve all through the slack time in agriculture.

As the number of males regularly and casually employed in agriculture in England and Wales is now about 600,000 it appears that of these about 30,000 or 5 per cent. find some other occupation habitually in the winter.

It is not possible to give an exact definition of regular and casual employment but probably the farmers who made the returns classed as regularly employed all men engaged by the week or longer and as casually employed all men whose wages are reckoned by the day and who are liable to be discharged at a day's notice.

APPENDIX II.

SCHEMES FOR DEALING WITH AGRICULTURAL UNEMPLOYMENT ABROAD.

There seems to be no doubt that up to 1914 there were no schemes for compulsory insurance of workers against unemployment in any foreign country. A publication of the German Government, dated 1913, was shown me at the Ministry of Labour on the subject of unemployment insurance, which specifically declared that there had been no schemes for compulsory insurance anywhere except two: (1) the English law of 1911, and (2) a scheme in St. Gall, Switzerland, which was unsuccessful and collapsed. There were no schemes for dealing with unemployment in Agriculture by contributions to voluntary associations.

Since the War several schemes have been put forward abroad. Nearly all take the form of Government contributions to voluntary insurance funds, and so far as can be ascertained, no Agricultural Union has started any such fund. One or two countries have now compulsory insurance schemes from which agriculture is expressly excluded, and in view of the relative weakness of agricultural unions abroad to industrial unions it seems almost certain that no provision has been made in these countries for agriculture. A bill is believed to have been prepared in Germany in which agriculture is to be included, but the text has not yet been seen.

The only country in which any law has been passed which provides for the compulsory insurance of all workers is the Italian law, embodied in the Royal Decree of 19th October, 1919. Art. 25 of this requires all workers of either sex to insure in the State Scheme, the only exceptions being (1) persons under 15 or over 65, (2) persons working at home or domestic servants, and (3) persons in the permanent employment of the State, the Provinces or the Communes. It would appear, therefore, that agriculture is included, but some doubt was expressed as to how far this law is operative as in a country of small holders many of the workers in agriculture are "working at home."

As far as the detail of the law go, it will be found that the scheme is practically on all fours with the Unemployment Insurance Act. In fact, the English law might almost have been copied from the Italian. Contributions are paid by employer and worker by means of stamps, and a worker out of employment must register at a Labour Exchange. No benefit can be drawn until the eighth day of unemployment, and no pay can be drawn after the 120th day in any calendar year. No pay can be drawn until the worker has paid an equivalent of 48 contributions in the two preceding years. The total contributions, half of which are paid by the employer, are as follows:—

Scale of Daily Earnings.	Amount of Contributions.		
	Fortnightly.	Weekly.	Daily.
1. Not exceeding 4 lire	0·70	0·35	0·06
2. Above 4 but not exceeding 8 lire	1·40	0·70	0·12
3. Above 8 lire	2·10	1·05	0·18

The benefits are :						Daily.
Scale	1	...	...	...	...	1·25
"	2	...	...	...	...	2·50
"	3	...	...	...	...	3·75

In no case can the daily benefit exceed one half daily earnings.

Provision is made for Special Schemes as follows:—

Art. 28.—“ When (in consequence of special local conditions or risks, or of other circumstances, the force of which is admitted) the Minister, after consulting the Central Executive Council, may declare it obligatory for certain classes of workers, in one or more provinces, to attach themselves to special Vocational Compulsory Insurance Funds, the same being administered by representatives of the classes concerned and of the State. A Decree of the Minister shall establish model statutes for such compulsory funds.

Similarly Special Vocational Sections of the Mixed Provincial Funds may be sanctioned in Provinces in which the workers are predominantly grouped according to clearly defined trades.

Such Vocational Sections shall be administered by the Provincial Councils.

Art. 29.—Vocational Funds set up by organisations of skilled workpeople or in pursuance of agreements between employers and employed to insure against unemployment may be sanctioned in conformity with this present Decree.

In order to obtain sanction such Vocational Funds must make an application to the National Office, such application being accompanied by a copy of their rules, a statement showing the number of persons registered therewith (arranged in classes), and (in the case of Funds which have been already some time in operation), by balance sheets for past financial year.

The rules must conform with the regulations laid down in the present Law, and must declare that the State, as well as the employers called upon to contribute to the Unemployment Fund, shall have equal representation with the insured persons on the Board of Administration of such Vocational Fund.

Sanction shall be conferred by a Municipal Decree after the Central Executive Council and the Standing Committee of the Higher Council for Thrift and Insurance have been consulted.

Such Vocational Funds must admit for registration even unorganised workers who may demand it, provided that they belong to the industrial group for which the Fund is operating.”

In view of this fact that these Vocational Funds belong to organisations of skilled workpeople, that they have as a rule been in operation for some time, and that the agricultural workers in Italy are more than half the total working class population it does not appear likely that agriculture has been or will be included in a special scheme.

APPENDIX III.

THE MAIN POINTS WHICH WOULD REQUIRE CONSIDERATION AND SETTLEMENT ON THE DRAFTING OF A SPECIAL SCHEME.

Enquiry was made in accordance with the instruction of the Committee to ascertain the main points which would require consideration and settlement on the drafting of a Special Scheme. Some difficulty was experienced in getting the information from the Ministry of Labour because (1) No application has yet been made for the approval of a Special Scheme, and (2) The Ministry do not quite know by what criterion any Special Scheme which might be proposed would be judged.

There are, however, certain conditions which would in any case have to be fulfilled, though it is possible others might be added.

(1) The Special Scheme must include the industry as a whole. It would be necessary, therefore, to define agriculture very carefully and exactly since confusion might arise as regards certain classes of labour if the contributions payable by agriculture were less than those payable under the Act.

(2) A Special Scheme may be confined to a special area, but the Minister must be satisfied that the area can properly be separated from the rest of the industry.

(3) Before a Special Scheme can be approved the Minister must be satisfied that insurance against unemployment can be more satisfactorily provided for by such a Scheme than by the general Scheme under the Act, and that the benefits under the Special Scheme are on the whole not less favourable than the benefits provided under the general Scheme.

(4) Proposals for a Special Scheme must be made by a Joint Industrial Council or an Association of Employers and Employed in the industry. It is possible that the Agricultural Wages Board might be recognised as such a body.

(5) A Special Scheme must provide for setting up an administrative body to be described as the Joint Board of Management. The method of selecting and appointing the members of this body must be precisely laid down. Among the functions of this Board will be those of collecting and safeguarding the funds, administering the benefits, approving in advance periodical estimates of administrative expenditure, and generally carrying out the provisions of the Scheme.

(6) Definite arrangements must be made for providing the necessary funds by means of regular contributions fixed at an amount estimated to be sufficient to cover the cost of benefits and administration without requiring special levies in bad times. Powers to make special levies should also be taken, but should be confined to cases where the estimated liabilities are exceeded.

The Actuarial calculations of the Scheme are apparently the most important consideration in the eyes of the Ministry of Labour. Any proposal made in that quarter would have to be accompanied by a professional calculation of the incidence of unemployment and the necessary rate of contributions to cover it, and unless this is produced the Scheme would be probably referred back.

(7) The Scheme must describe how the contributions are to be collected. The system of cards and stamps is not obligatory.

(8) The Scheme must confer a definite right to benefit, subject to the conditions laid down, and the precise amount payable in respect of each day or period of unemployment should be defined. Any requirement as to waiting days should be stated. Before approving a Scheme, the Minister must be satisfied that the cost of providing the benefits proposed would not exceed, on the average, taking good years and bad years together, the income of the fund set up by the Scheme. Sufficient data for actuarial verification of the fulfilment of this condition must be furnished when the Scheme is submitted.

(9) A Special Scheme must provide for establishing and maintaining a proper system for verifying unemployment, and for obtaining particulars of vacancies and notifying them to persons claiming benefit. From this it would appear that a system of Employment Exchanges would have to form an integral part of any Special Scheme.

(10) Definite rules respecting disqualification for benefit in the event of dismissal for misconduct or stoppage on account of a strike, for receiving claims, for ascertaining that the prescribed conditions are fulfilled for paying benefits must be included, as well as appropriate machinery for settling disputes with regard to claims.

(11) Proper provision must be made for the creation of a joint insurance fund under the control of the Joint Board of Management, for investment of the funds, for the necessary audit, valuation of securities and so forth.

(12) Finally, the Minister would require evidence that other persons connected with the industry but not included in it, had been consulted and their consent contained, or other objections shown to be unimportant. Such persons would in this connection be steam tackle drivers, and perhaps semi-urban workers not actually included under agriculture, such as dairymen or florists.

[APPENDICES IV and V are omitted.]

APPENDIX VI.

REPORTS FROM EMPLOYMENT EXCHANGES.

The reports supplied by the Ministry of Labour included comparative returns extracted from the books of the Employment Exchanges of farm workers registered as unemployed, and of the number of vacancies notified by farmers in January, 1920, and January, 1921, and at three intermediate quarterly periods.

The following is a summary of these returns for the whole of England and Wales, the totals being made up on the 9th of each month.

Workers registered.				Vacancies notified.		
	Males.	Females.	Total.	Males.	Females.	Total.
1920.						
January	7,204	102	7,306	321	54	375
April	4,695	110	4,805	421	68	489
July	2,594	109	2,703	434	99	533
October	1,891	79	1,970	347	30	377
1921.						
January	3,031	113	3,194	169	13	182

These figures are surprising as they indicate that the extent of unemployment in agriculture, whether measured by the number of workers registered or the number of places notified as vacant, was 50 per cent. less in the winter of 1920-21 than in that of 1919-20. It is recognised that the number of workers registered or of vacancies certified bears no relation to, and is far smaller than the actual number of men seeking work or of employers requiring men, but in the absence of disturbing factors it might be assumed that a comparison of the figures for different dates would afford some measure of the relative amount of unemployment at one period and another. It is evident, however, that any inferences drawn from a comparison of these returns would be misleading. It is

possible that the number of farm workers registered in January, 1920, was affected by the fact that the Unemployment Donation had only just ceased and that unemployed workers were keeping their names on the register in expectation of the continuance of the Donation, whereas in January, 1921, the number of persons describing themselves as farm workers was reduced by reason of a belief that by so describing themselves they would be disqualified for receiving benefit under the new Unemployment Insurance Act.

It may be noted that the male farm workers registered at the Exchanges as unemployed in January, 1920, represented about 1·5 per cent. of the total male agricultural workers in England and Wales, and that the corresponding percentage in January, 1921, was 0·64, but in neither case can this be taken as any measure of the extent of agricultural unemployment at these dates.

As regards the number of vacancies notified by farmers, it will be observed that the total fell from 375 in January, 1920, to 182 in January, 1921. While it is evident that only very limited use is made of the Employment Exchanges by farmers at any time, it is difficult to suggest a reason for a greater disinclination to use them in January, 1921, than a year previously. If the figures have any significance they can only be regarded as affording evidence of a slightly increased disinclination among employers to fill the place of men who had left their employment, possibly in consequence of a change in the system of farming. For what it may be worth it may be noted that the average number of applicants registered for each vacancy notified at the various periods was as follows:—

—			Jan., 1920.	April, 1920.	July, 1920.	Oct., 1920.	Jan., 1921.
Males	22	11	6	5	18
Females	2	1·6	1·1	2·6	9

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